BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2000-242-E - ORDER NO. 2002-423

JUNE 5, 2002

IN RE: South Carolina Electric & Gas Company,	)	ORDER DENYING
	)	PETITION FOR
Complainant/Petitioner,	)	RECONSIDERATION
	)	
vs.	)	
	)	
Aiken Electric Cooperative, Inc.,	)	
	)	
Respondent/Defendant.	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Reconsideration of our Order No. 2002-357 filed by South Carolina Electric & Gas Company (SCE&G or the Company) in this complaint matter against Aiken Electric Cooperative, Inc. (AEC or the Coop.) AEC filed a Response to the Petition. Because of the reasoning stated below, the Petition is denied and dismissed.

First, SCE&G states a belief that this Commission has somehow misconstrued or misapplied S.C. Code Ann. Sections 58-27-610, et seq (1976) and S. C. Code Regs. Section 103-304 (1976). SCE&G then urges us to adopt the statutory analysis found on pages 9-16 of its proposed Order in the case. We disagree that we have misconstrued or misapplied the Code sections, and, once again, as will be explained below, we reject the analysis as found on the designated pages of SCE&G's proposed Order. We also reject

the proposed principles that (a) S.C. Code Ann. Section 58-27-610 et. seq. requires that an electric supplier must directly serve a customer (i.e. deliver and meter power) within its corridor or assigned territory; and (b) that the changes in the essential character of the Coop.'s distribution line in the present case preclude the new line from constituting a basis for the continuation of corridor rights.

With regard to the contention that an electric supplier must directly serve a customer within its corridor or assigned territory, we reject said contention, and reaffirm our analysis as discussed in Order No. 2002-357. There is no such statutory directive. Under S.C. Code Ann. Section 58-27-610(2), the "premises" is the building, structure, or facility to which electricity is being or is to be furnished. The statute contains no requirement that the meter be located within the corridor.

The Company states that we were in error in concluding that separately metered buildings comport with the definition of a single premises in S.C. Code Ann. Section 58-27-610(2)(1976) because a consolidated bill for services was rendered. SCE&G states that the statute specifically provides that multiple buildings shall not constitute one premises if the electric service is separately metered and the charges for such service are calculated independently of charges to service to any other building structure or facility. We agree with this statement of the law. However, SCE&G goes on to state that whether or not one bill is rendered should not be a factor, since charges are calculated separately with separate meters, even though there is only one bill rendered. Again, we disagree.

In order to remove these facilities from the definition of "premises," SCE&G would have to show that electric service is not only separately metered, but that charges

for service are calculated independently of charges for service to any other building. This SCE&G cannot do. Witness Stooksbury testified that the Coop. provides electricity to the maintenance building and to the classroom school building which are on the same tract of land, through one meter. After construction of the classroom building and the maintenance building, the school in question set up a temporary classroom building that was separately metered, but which is not separately billed, the billing being combined in one charge. Tr., Stooksbury at 92-137. SCE&G failed to present any evidence that, even though separate meters existed, that the charges were calculated independently. Separate metering does not automatically equal independent calculation of bills. Indeed, the evidence showed that the charges were calculated and presented to the customer in one bill. Therefore, we conclude that the charges from the meters were not calculated independently, and all of the buildings on the site constituted one "premises." The Company's position that it is significant that a company's charges occurring in several different locations are often billed in separate bills, and that this means that "a single bill does not mean a single premises" is unavailing. In order to constitute a "premises," the facilities being served must be on the same or contiguous tracts of land. Widespread facilities' charges being consolidated into a single bill would not convert those properties into a single premises. In the present case, the facilities being served are on the same tract of land, and only one bill is rendered. Accordingly, the Coop. had the right to serve the entire "premises," i.e. the whole school. We discern no error.

Next, the Company urges us to hold that the changes in the essential character of the Coop.'s distribution line in the present case preclude the new line from constituting a

basis for the continuation of corridor rights. We reject this position as we did in Order No. 2002-357. We do not believe that upgrading the service from single-phase to three-phase destroys the original corridor right created under the Territorial Assignment Act. The language of the Act was clearly intended to fix the geographic location of the corridor as of July 1, 1969. However, we hold that the Act was not intended to fix permanently the type of line used to deliver electricity. Under SCE&G's theory, no electric service provider would ever be able to embrace technological improvements, repair damaged lines or upgrade its facilities to meet increased customer demand if that provider wanted to maintain its exclusive corridor. SCE&G's interpretation must be rejected, since it defies logic, and would lead to an absurd result. Clearly, the geographic location of the corridor as of July 1, 1969 must survive changes as a policy matter. If "changes" to a line robbed the line of its ability to maintain a corridor, all corridors would eventually disappear from existence, since some change is bound to occur sooner or later with 1969 lines. We do not believe that this was the intent of the Legislature. Accordingly, we reaffirm our position in the present case that, even though the original single phase line in the case at bar had been converted to a three-phase line, the original corridor as of July 1, 1969 still existed and, in fact, still exists. SCE&G's position is therefore rejected.

Lastly, SCE&G urges us to vacate our Order because our construction of the statute might lead to an "absurd" result. For illustrative purposes, SCE&G has attached to its Petition a map in which it attempts to show that our holding in this case would cause a substantial encroachment by the Coop. into SCE&G territory, and that this encroachment

would be virtually unrestricted. First, there is no evidence in the record to support the argument of the Company, or, for that matter, the map. Second, the Company would have the right to challenge such an incursion into its territory by the Coop. before this Commission, should an attempt actually be made to extend the corridor. The Company would have the right to argue before this Commission that such an extension would be improper, set bad policy or both, and the Commission could rule on the question. At the present time, however, such further extensions into SCE&G territory past the corridor are theoretical, thus, we do not have to consider them at this time. We therefore reject the last ground proffered by SCE&G.

Because of all of the reasoning, as stated above, the Petition for Reconsideration is denied and dismissed. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Chairman

ATTEST:

Executive Director

(SEAL)